

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 21, 2008

Bill Number:

H.B. 4720

Author: Talley

Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Section 12-6-1140, as amended, of the Code of Laws of South Carolina, 1976, relating to deductions from individual taxable income for purposes of the South Carolina Income Tax Act, so as to allow an annual deduction for a volunteer serving as a chaplain for a public law enforcement agency and to provide the requirements for claiming this credit.

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund individual income tax revenue by an estimated \$87,000 in FY2008-09.

Explanation

This bill would amend Section 12-6-1140(10) by allowing an individual serving as a “volunteer law enforcement chaplain” a \$3,000 individual income tax deduction. Volunteer law enforcement chaplains are ordained ministers and serve without compensation in assisting law enforcement in times of crisis and at accident scenes comforting the victims and family members. All volunteer law enforcement chaplains must be approved by the law enforcement agency where they volunteer. The S.C. Department of Natural Resources, Division of Wildlife Services, the S.C. Department of Highways and Public Transportation, as well as many federal, state, and local law enforcement agencies throughout the state have volunteer law enforcement chaplains working with the agencies. This bill would amend Section 12-6-1140(b) to waive the requirement of satisfying a minimum number of points pursuant to Section 23-9-190 to qualify for the tax deduction as long as the chaplain’s officer supervisor certifies in writing as to the chaplain’s service that the chaplain met all South Carolina Law Enforcement Division policy requirements applicable for the entire taxable year. According to the head chaplain of the South Carolina Law Enforcement Association and the president of the South Carolina Volunteer Chaplain’s Association, there are an estimated 500 volunteer law enforcement chaplains assisting law enforcement agencies in the state. Multiplying 500 volunteer law enforcement chaplains by a \$3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$87,000 in FY2008-09. This individual income tax deduction would apply to tax years beginning with 2008.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.